

STATE OF MICHIGAN
DEPARTMENT OF LABOR & ECONOMIC GROWTH
OFFICE OF FINANCIAL AND INSURANCE SERVICES

Before the Commissioner of the Office of Financial and Insurance Services

In the matter of:

Michigan North Mortgage Services, Inc.
316 S. Henry Street
Bay City, Michigan 48706

Enforcement Case No. 07-5383

License/Registration No.: FL-3765/SR-1673,

Respondent.

CONSENT ORDER REQUIRING COMPLIANCE
AND PAYMENT OF CIVIL FINES

Issued and Entered,
This 16th day of April, 2008,
By Peggy L. Bryson,
Acting Chief Deputy Commissioner

Based upon the Stipulation to Entry of Consent Order and the files and records of the Office of Financial and Insurance Services ("OFIS") in this matter, the Commissioner FINDS and CONCLUDES that:

1. The Commissioner has jurisdiction and authority to adopt and issue this Consent Order in this proceeding, pursuant to the Michigan Administrative Procedures Act of 1969 ("MAPA"), as amended, MCL 24.201 *et seq.*, the Mortgage Brokers, Lenders, and Servicers Licensing Act ("MBLSLA"), 1987 PA 173, as amended, MCL 445.1651 *et seq.*, and the Secondary Mortgage Loan Act ("SMLA"), 1981 PA 125, as amended, MCL 493.51 *et seq.*
2. All required notices have been issued in this case, and the notices and service thereof were appropriate and lawful in all respects.
3. Acceptance of the parties' Stipulation to Entry of Consent Order is reasonable and in the public interest.

4. All applicable provisions of MAPA have been met.
5. Michigan North Mortgage Services, Inc. ("Respondent") violated MCL 445.1671(1) (2), MCL 445.1673(1), MCL 445.1672(a)-(b), and MCL 493.75.

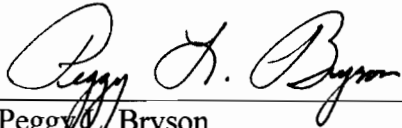
NOW THEREFORE, based upon the parties' Stipulation to Entry of Consent Order and the facts surrounding this case, IT IS ORDERED THAT:

1. The Stipulation to Entry of Consent Order submitted by the parties to the Chief Deputy Commissioner is hereby ACCEPTED.
6. Respondent shall CEASE AND DESIST from violating MCL 445.1671(1) (2), MCL 445.1673(1), MCL 445.1672(a)-(b), and MCL 493.75.
2. Respondent shall pay to the OFIS, a civil fine in the amount of \$10,000.00. The civil fine shall be paid on or before 30 days from the date of entry of this Order.
3. Within 90 days of the entry of the attached Order, Respondent shall develop, implement, and maintain a comprehensive written Quality Control and Compliance Program and appoint a compliance officer to ensure that the program is being followed and is effective.
4. Within 90 days of the entry of the attached Order, Respondent shall develop, implement, and maintain a written Compliance Audit Program, which will be part of Respondent's Quality Control and Compliance Program. At a minimum, the Compliance Audit Program shall include internal and external audits, define the scope of the audits, identify the number or percentage of transactions sampled by category and product type, identify deficiencies or modifications, provide descriptions of or suggestions for corrective actions and time frames for corrections, and establish follow-up procedures to verify that corrective actions were implemented and effective.
5. Within 90 days of the entry of the attached Order, Respondent shall develop and maintain a comprehensive written employee Policy and Procedures Manual clearly delineating the mortgage loan process and all statutes, ordinances, rules, and regulations that govern the activity of all employees.
6. Respondent shall educate its officers and employees involved in the brokering,

origination, and closing of mortgage loans on all applicable state and federal laws and regulations, including, but not limited to, the MBLSLA, SMLA, Federal Real Estate Settlement Procedures Act, National Housing Act, Federal Truth in Lending Act, Equal Credit Opportunity Act, Fair Credit Reporting Act, Anti-Redlining Act, and applicable usury laws. The education shall be accomplished by requiring the officers and employees involved in the brokering, origination, closing, and servicing of mortgage loans to attend training seminars for the next 12 months at least four hours in duration every quarter. The training seminars shall be conducted by persons not employed by Respondent and with recognized experience in the mortgage industry. The instructors for the training seminars shall be varied in order to give the officers and employees a broad view of the regulation and operation of the mortgage industry. The training seminars shall include the philosophy behind the laws and regulations as well as the requirements of the laws and regulations. The training seminars may be organized by either Respondent or a local or national organization, such as the Michigan Mortgage Lenders Association, the Mortgage Bankers Association of America, the Michigan Mortgage Brokers Association, or the National Association of Mortgage Brokers. The training seminars may be presented in person or through electronic means, such as the internet, video tapes, DVDs, or CD-ROMS. Respondent shall keep a record of the attendance of the officers and employees at the training seminars.

7. The Commissioner specifically retains jurisdiction over the matters contained herein and has the authority to issue such further order(s) as he shall deem just, necessary and appropriate in accordance with the provisions of the MBLSLA and SMLA. Failure to abide by the terms and conditions of the Stipulation to Entry of Consent Order and this Order, may result in the commencement of additional proceedings.

IT IS SO ORDERED.



Peggy L. Bryson
Acting Chief Deputy Commissioner